

Specifications for a Circle Chain Contract

A "Circle Chain" Contract is a method allowing multiple parties to easily contract with each other for the exchange of goods and services in one contract without the use of intermediate property.

A Circle Chain Contract becomes effective when the first party offers to the last party. The parties are then sequenced by number, first second third fourth fifth and so on. Before becoming effective any of the parties have the opportunity to be the first party.

In this sample the parties offer as follows:

1. Offers box of Apples for something, starts looking for that something within the forum.
2. Offers a box of Bananas for the box of Apples
3. Offers Box of Carrots for the box of Bananas
4. Offers box of Donuts for the box of Carrots
5. Offers box of Eggs for the box of Donuts
6. Offers box of Flowers for the box of Eggs
7. Offers box of Gizmos for the box of Flowers
8. Offers box of Hinges for the box of Gizmos
9. Offers box of Iron for the box of Hinges
10. Offers box of Jacks for the box of Iron
11. Offers box of Kites for the box of Jacks
12. Offers box of Lemons for the box of Kites

When the first party offers the box of Apples for the box of Lemons the contract is perfected and the circle of offers is complete.

Pizzazz can be added or subtract by ("will adds" or "taxing")

"Will adds" for the benefit of the first party, as an incentive to be the first party.

In this example the first party gets the box of Lemons and all the bags of goodies.

Pizzazz can be decreased by "taxing", each party has to give up an item from his box.

Pizzazz can also be a combination of both. The effect on the dynamics of a Circle Chain Contract could be compared to the quality of the fuel in an internal combustion engine: the better the goodies, the higher the octane.

Example

If each party's offer of a box of something also contains a "will add", or bag of goodies (the Paizzazz can be set for different beneficiaries), in this example the first party gets all the goodies. The more offers the more potential goodies. The goodies make the lemons sweet so to speak.

If only a couple of parties added a bag of goodies that would be less Pizzazz than if 6 parties included a box of goodies. If all the parties added a bag of goodies the first party would get a box of Lemons and 11 bags of goodies. The other parties would get the box of what they agreed to take in their offer.

An acceptance in a Circle Chain Contract is not needed to be complete, but it is thought to be needed to be legal. Basic contract law teaches that two essentials of any contract are an offer and an acceptance and that without them both you cannot have a contract. That has been the conventional thinking before this invention. The first party can simply offer the box of apples for the lemons making a circle of offers complete. Each party gets what they offered to receive and the contract is complete when the first party offers his property for the last property offered in the chain, thus making the circle complete. The essence and the legal standpoint are that the first party accepts the other 11 parties offer in this example.

If the Party with the box of Donuts offers for the box of Kites, prior to the box of Apples being offered for the box of Lemons, then the party offering the box of Donuts would be the first Party and the Party offering the box of Kites the last Party. The parties with the Apples, Bananas and Carrots would become a chain of offers (a potential contract). There would not be any Kites for the Party with the Lemons to offer for. An offer for the box of Apples for the box of Lemons would not complete the Circle Chain Contract.

The advantage of a Circle Chain Contract is you do not need a third type of property (like cash, credit or beans, etc.) as a go between to get what you want. You simply make an offer of what you have for what you want. If enough parties make enough offers you will get what you want, assuming offers are made for other property of similar values. Prices are not needed; however, offeror's value as part of the description of the property can be helpful but is not a part of the Circle Chain Contract. Offers of lower values will never link because each party makes their own judgment of value, in theory a low ball offer would need a highball offer in order to complete the Circle Chain Contract between value minded parties.

To use a Circle Chain Contract effectively a facilitator or registrar is needed. The problem is in communications. How does everyone who makes an offer know what other offers are in the chain at any given time?

When the first offer is made a taker is established and a chain is started. As more offers are made either more chains are started or more links to previously started chains are added. When any link in the chain becomes a taker for a following offer, that offer becomes the last link in the chain the circle is complete thus the contract is complete. If the first party offered to the second party that would be an ordinary contract as there a no other links and a circle does not exist.

The parties first offer their property for trade in a general forum; then they offer their property for other people's property that has been offered in the same forum as others make offers for their property. When the first offer is made a taker / beneficiary is established and a chain is started. As more offers are made either more chains are started or more links to previously started chains are added. When any link in the chain becomes a taker for the last link in the chain the circle is complete and the contract is perfected. The more parties and offers the better the chances. When a contract is perfected all other offers made by the parties using the same property in other offers out side of the Circle

Chain Contract are withdrawn (they only have one box to trade in their original offer). If they had more than one box they would probably want to make more offers, which would involve a new separate Circle Chain Contract.

The use of computers and scripts (artificial intelligence, backend graphing with molecular structure, automated file and mail servers) are used to track and communicate the numerous possible contracts, identify and deliver in real time the possible and the perfected contracts to the parties.

The possible uses for the Circle Chain Contract method are numerous. The Barter Industry is the most obvious, but there are other uses such as equipment sharing among contractors. The contractor offers certain equipment for use during a specific time period for the use of another contractor's certain equipment, during a specific time period resulting in more efficient use of equipment; thus a contractor could bid lower.

The requested Patent is for the exclusive right to facilitate, register, advertise or in any way solicit offers for property (real or personal) goods and service with the intent of linking them as in a chain of circles, for the statutory period of time.

Circle Chain Contract Invented November 2003 by Fredrick David Haase